

SENATE BILL NO. 181

INTRODUCED BY D. RYAN

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING THAT A PUBLIC GROUP HEALTH INSURANCE PLAN ALLOW THE DEPENDENT SPOUSE OF A PRIMARY POLICYHOLDER TO ELECT TO REMAIN UNDER THE GROUP PLAN WITH CERTAIN RESTRICTIONS IF THE MARRIAGE BETWEEN THE PRIMARY POLICYHOLDER AND THE SPOUSE IS DISSOLVED; AND AMENDING SECTION 2-18-704, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 2-18-704, MCA, is amended to read:

"2-18-704. Mandatory provisions. (1) An insurance contract or plan issued under this part must contain provisions that permit:

(a) the member of a group who retires from active service under the appropriate retirement provisions of a defined benefit plan provided by law or, in the case of the defined contribution plan provided in Title 19, chapter 3, part 21, a member with at least 5 years of service and who is at least age 50 while in covered employment to remain a member of the group until the member becomes eligible for medicare under the federal Health Insurance for the Aged Act, 42 U.S.C. 1395, as amended, unless the member is a participant in another group plan with substantially the same or greater benefits at an equivalent cost or unless the member is employed and, by virtue of that employment, is eligible to participate in another group plan with substantially the same or greater benefits at an equivalent cost;

(b) the surviving spouse of a member to remain a member of the group as long as the spouse is eligible for retirement benefits accrued by the deceased member as provided by law unless the spouse is eligible for medicare under the federal Health Insurance for the Aged Act or unless the spouse has or is eligible for equivalent insurance coverage as provided in subsection (1)(a);

(c) the surviving children of a member to remain members of the group as long as they are eligible for retirement benefits accrued by the deceased member as provided by law unless they have equivalent coverage as provided in subsection (1)(a) or are eligible for insurance coverage by virtue of the employment of a surviving parent or legal guardian.

(2) An insurance contract or plan issued under this part must contain the provisions of subsection (1)

1 for remaining a member of the group and also must permit:

2 (a) the spouse of a retired member the same rights as a surviving spouse under subsection (1)(b);

3 (b) the spouse of a retiring member to convert a group policy as provided in 33-22-508; and

4 (c) continued membership in the group by anyone eligible under the provisions of this section,
5 notwithstanding the person's eligibility for medicare under the federal Health Insurance for the Aged Act.

6 (3) (a) A state insurance contract or plan must contain provisions that permit a legislator to remain a
7 member of the state's group plan until the legislator becomes eligible for medicare under the federal Health
8 Insurance for the Aged Act, 42 U.S.C. 1395, as amended, if the legislator:

9 (i) terminates service in the legislature and is a vested member of a state retirement system provided
10 by law; and

11 (ii) notifies the department of administration in writing within 90 days of the end of the legislator's
12 legislative term.

13 (b) A former legislator may not remain a member of the group plan under the provisions of subsection
14 (3)(a) if the person:

15 (i) is a member of a plan with substantially the same or greater benefits at an equivalent cost; or

16 (ii) is employed and, by virtue of that employment, is eligible to participate in another group plan with
17 substantially the same or greater benefits at an equivalent cost.

18 (c) A legislator who remains a member of the group under the provisions of subsection (3)(a) and
19 subsequently terminates membership may not rejoin the group plan unless the person again serves as a
20 legislator.

21 (4) (a) A state insurance contract or plan must contain provisions that permit continued membership
22 in the state's group plan by a member of the judges' retirement system who leaves judicial office but continues
23 to be an inactive vested member of the judges' retirement system as provided by 19-5-301. The judge shall
24 notify the department of administration in writing within 90 days of the end of the judge's judicial service of the
25 judge's choice to continue membership in the group plan.

26 (b) A former judge may not remain a member of the group plan under the provisions of this subsection
27 (4) if the person:

28 (i) is a member of a plan with substantially the same or greater benefits at an equivalent cost;

29 (ii) is employed and, by virtue of that employment, is eligible to participate in another group plan with
30 substantially the same or greater benefits at an equivalent cost; or

1 (iii) becomes eligible for medicare under the federal Health Insurance for the Aged Act, 42 U.S.C. 1395,
2 as amended.

3 (c) A judge who remains a member of the group under the provisions of this subsection (4) and
4 subsequently terminates membership may not rejoin the group plan unless the person again serves in a position
5 covered by the state's group plan.

6 (5) A person electing to remain a member of the group under subsection (1), (2), (3), ~~or (4)~~, or (9) shall
7 pay the full premium for coverage and for that of the person's covered dependents.

8 (6) An insurance contract or plan issued under this part that provides for the dispensing of prescription
9 drugs by an out-of-state mail service pharmacy, as defined in 37-7-702:

10 (a) must permit any member of a group to obtain prescription drugs from a pharmacy located in
11 Montana that is willing to match the price charged to the group or plan and to meet all terms and conditions,
12 including the same professional requirements that are met by the mail service pharmacy for a drug, without
13 financial penalty to the member; and

14 (b) may only be with an out-of-state mail service pharmacy that is registered with the board under Title
15 37, chapter 7, part 7, and that is registered in this state as a foreign corporation.

16 (7) An insurance contract or plan issued under this part must include coverage for treatment of inborn
17 errors of metabolism, as provided for in 33-22-131.

18 (8) An insurance contract or plan issued under this part must include substantially equivalent or greater
19 coverage for outpatient self-management training and education for the treatment of diabetes and certain
20 diabetic equipment and supplies as provided in 33-22-129.

21 (9) An insurance contract or plan issued under this part must allow a spouse who is covered as a
22 dependent on the contract or plan to remain a group member if the marriage between the primary policyholder
23 and the spouse is dissolved unless the spouse is eligible for medicare under the federal Health Insurance for
24 the Aged Act or unless the spouse has or is eligible for equivalent insurance coverage as described in
25 subsection (1)(a)."

26

- END -